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JOHN T. FEY, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1956.

No. 549

ESKIMO KOOLER CORPORATION,

Petitioner,

vs.

ESKIMO PIE CORPORATION,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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INDEX.

	PAGE
Opinions Below	1
Jurisdiction	2
Questions Presented	2
Statute Involved	3
Statement of the Case	3
Reasons for Granting the Writ	8
Conclusion	14
Appendix A	15
Appendix B (Opinion Below)	16

AUTHORITIES CITED

Judicial Decisions

American Automobile Ass'n. v. Spiegel, 205 F(2d) 771 (1953), cert. den. 346 U.S. 887 (1953)	9, 10, 13n, 14n
American Automobile Ass'n. v. Spiegel, 101 F.S. 185	10
American Automobile Ass'n. v. Rothman, 101 F.S. 193, 195	10
Bulova Watch Co. v. Stolsberg, 69 F.S. 543	14n
Erie R.R. v. Tompkins, 304 U.S. 64, 78	14n
Maternally Yours, Inc. v. Your Maternity Shop, 234 F. (2d) 538 (2d Cir. 1956)	14n
McNutt v. General Motors Acceptance Corporation, 298 U.S. 178	13n

PAGE

Rosenman v. United States, 323 U.S. 658, 661 11

Stauffer v. Exley, 184 F(2d) 962, 965 (9th Cir.) 14n

Unexcelled Chemical Corp. v. United States, 456 U.S. 59, 64 10

Other Authorities

Section 32, 1946 Trademark Act (60 Stat. 427) 3

Section 32, S 895, 77th Cong. 15

Section 32, S 895, 77th Cong. (as amended pursuant to House Report No. 2283, 77th Cong.) 15

House Report No. 2283, 77th Cong., June 25, 1942 11

Senate Report No. 1333, May 14, 1946 .....11, 13

Derenberg, The Ninth Year of Administration of the Lanham Trademark Act of 1946, Part II USPQ Sept. 10, 1956, page 23 13

Diggins, Federal and State Regulation of Trade-marks, 14 Law and Contemp. Problems 200 (1949) 11

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No.

ESKIMO KOOLER CORPORATION,

Petitioner,

VS.

ESKIMO PIE CORPORATION,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

Eskimo Kooler Corporation, by its authorized attorneys, prays that a writ of certiorari issue to review the judgment entered in this case by the Court of Appeals for the Seventh Circuit.

Opinions Below

The opinion of the Court of Appeals is reported at 235 F. (2d) 3. It appears as Appendix B to this petition. No

opinion was written by the District Court. The findings of fact and conclusions of law appear at pages 119 to 123 of the record.

Jurisdiction

The judgment below was entered on June 27, 1956. Timely petition for rehearing was filed, and was denied on September 7, 1956. The jurisdiction of this Court rests on 28 U.S.C. 1254(1).

Questions Presented

As to trademark infringement:

1. Whether under the 1946 Trademark Act an injunction may issue against use of the word "Eskimo" contained in a registered trademark where the word was used on a product not covered by the trademark registration and where there were no allegations and no findings that purchasers of the product on which the word was used were confused or likely to be confused as to the source of such product.

As to unfair competition[1]:

2. Whether, in the absence of proof or findings that the amount in controversy exceeded $3,000—and in the absence of allegations, proof, or findings of trademark infringement as defined by the federal statute—the District Court had jurisdiction of a claim for relief based on unfair competition.

3. Whether there is a non-statutory federal law of unfair competition modifying and extending the scope of

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[1] The questions arising as to unfair competition are not relied upon as reasons for the grant of certiorari, but will be presented and argued in the event certiorari is granted. See n. 2, infra.

protection afforded the owner of a trademark registered in the Patent Office under the 1946 Trademark Act.

Statute Involved

The pertinent text of the 1946 Trademark Act (60 Stat. 427) is as follows:

> *Section* 32 (1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services • • • shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided • • •.
>
> *Section* 34. The several courts vested with jurisdiction of civil actions arising under this Act shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office • • •.

Statement of the Case

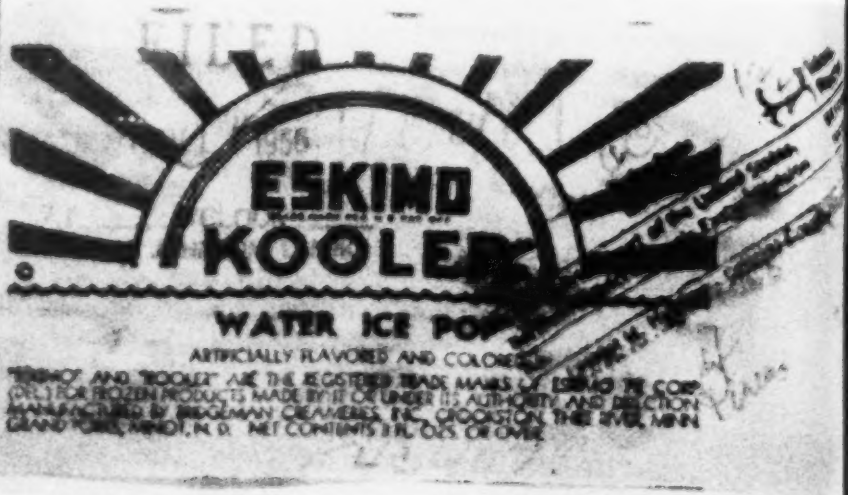
The present cause arose on a complaint by Petitioner, based on diversity of citizenship jurisdiction, to recover damages and obtain injunction against interference and intimidation of Petitioner's customers (R. 4-6). Respondent filed counterclaim for infringement of its trademarks and for unfair competition. The counterclaim contained allegations that the trademarks in question were federally registered (R. 10) and alleged the presence of diversity of citizenship and a matter in controversy in excess of $3,000 (R. 9).

Petitioner, Eskimo Kooler Corporation, commenced business in 1945 under charter from the State of Illinois (R. 62-4). The certificate of incorporation is in the name of Eskimo Kooler Corporation and lists among the purposes the manufacturing and selling of "Refrigerators, Refrigerating Equipment, and Refrigerating Systems, Units, and appliances" (Ex. CD 1). Petitioner also obtained, in 1945, Illinois State Trademark registration No. 22,500 for use of the term "Eskimo Kooler" on "refrigerators" (Ex. CD 2). The gross annual business of Petitioner has been about $200,000 (R. 65). The number of employees engaged in manufacture of the products of Petitioner varies from 20 to 35 (R. 89).

Prior to about October 1953 Petitioner made and sold both low temperature or freezing display cabinets or coolers and refrigerated but non-freezing units (R. 64). Since that time Petitioner's sales have been confined to non-freezing display cabinets, suitable for grocery store display of milk, eggs, cheese, and like products (R. 64). These display cabinets are not suitable for use with ice cream, frozen confections, or frozen foods (R. 80). A typical form of the display cabinet currently manufactured and sold by Petitioner is that shown on Exhibit CD 8, reproduced below:

Each cooler has a nameplate of modest size bearing the term ESKIMO in script and located in such position as to identify the cooler and not the contents. See exhibit CD 8, above.

Respondent, Eskimo Pie Corporation, is a corporation of Delaware. It is the owner of a group of United States trademark registrations to the term "Eskimo" used on frozen confections and related products (R. 120). It also owns a United States trademark registration to the term "Kooler" for a "frozen confection" (R. 120). Respondent has franchised licensees in the 48 states, to which it sells bags bearing the terms "Eskimo" and "Eskimo Kooler" (R. 106, 39, 44, 50, 94). The legend on one such bag, Exhibit CC 12, appears in type and size as follows:



The franchised licensees place frozen confection products of their own manufacture in the bags for sale to the public through retail stores (R. 107). In addition, Respondent has two "control plants" or "pilot installations", one at Richmond, Virginia, and the other at Detroit, Michigan, where it manufactures ice cream and dairy products (R.

106). Respondent produced no proofs as to the quantity of manufacture and sale at these pilot plants. Hundreds of millions of bags have been sold by Respondent (R. 44, 50).

There is no record testimony of actual confusion of any purchasers of frozen confections sold by Respondent or its licensees. There is no record testimony of actual confusion of purchasers of display cabinets sold by Petitioner. There is the following hearsay testimony as to what was said to Respondent's agent by one Grasse, the sales manager of a dairy who was not shown to have purchased either frozen confections or display cabinets:

> "I was in Mr. Grasse's office, and the reason the subject came up was I explained to him I had to leave that day and get back to Chicago to testify in a lawsuit. He wanted to know what lawsuit and I told him that we were being sued by the Eskimo Kooler Corporation.
>
> "He said, 'Hell, I thought you owned them.'" (R. 57)

No expert opinion testimony was adduced by Respondent as to confusion or likelihood of confusion of purchasers of either frozen confections or display cabinets.

In accordance with conventional trade practice sales agents of Respondent visit retail stores and sometimes place streamers on display cabinets to provide "point of sale" advertising (R. 24, 46). Similar signs are used by others, such as Sealtest, Bowman's and Borden's and Respondent's signs are placed along with the others (R. 59). When its agents place a streamer on a display cabinet, Respondent does not object to the inclusion in the same display cabinet of products not made or licensed by Respondent, including:

> "Quarts and pints, cups and specialty items to the point of the Dixie Cups or Drumsticks or cones, which

are not like the type of items we produce or license the manufacturer to make on his own'' (R. 107)

The District Court dismissed the complaint without prejudice prior to trial (R. 16). On the counterclaim the court held that the use of the term ''Eskimo'' by Petitioner ''constitutes trade-mark infringement or, in any event, unfair competition'' (R. 123). The fact findings included no findings that purchasers of Petitioner's product were confused as to the source of such product (R. 119-123). The court entered findings to the effect that the public was likely to be confused as to the source of the food products dispensed from coolers sold by Petitioner (R. 122). Judgment was entered enjoining the use by Petitioner of the terms ''Eskimo'' and ''Kooler'' in its corporate name and on the display cabinets. No findings were entered with respect to the amount in controversy.

The Court of Appeals affirmed.

Reasons For Granting The Writ

The decision below is in direct conflict with a decision of the Court of Appeals for the Second Circuit on an important and recurring question as to the test of infringement under the 1946 Trade-mark Act, with respect to which test the Congress has expressly sought a uniform national law.

1. Sections 32 and 34 of the 1946 Trademark Act provide for the issue of an injunction to prevent use by a person other than the registrant of any registered trademark in ''connection with the sale . . . of goods . . . likely to cause confusion . . . as to the source of origin of such goods . . .''. The question here is whether the Act provides protection against use of the mark involving likelihood of confusion of the public in any respect, as held

by the court below, or whether the protection afforded by the Act is limited to the use of a registered trademark, as the statute provides, in "connection with the sale . . . of any goods . . . likely to cause confusion . . . as to the source of origin **of such goods** . . ." as held by the Court of Appeals for the Second Circuit in *American Automobile Ass'n.* v. *Spiegel,* 205 F. (2d) 771 (1953), cert. denied, 346 U.S. 887 (1953).

The instant case was pleaded, tried, and decided on the theory that the statutory test is a general one of possible confusion of the public in any respect. Petitioner made and sold only display cabinets. There are no allegations and no findings that any purchaser of display cabinets from Petitioner was confused as to the source of those cabinets. On the contrary, Respondent alleged only that the use of the word "Eskimo" on Petitioner's display cabinets "will lead the public to believe that the products therein are made or sponsored by Eskimo Pie Corporation" (R. 12), and the findings were similarly limited to a finding of confusion separate and apart from the source of origin of the goods sold by Petitioner. See Finding 13 (R. 122). The court thus relied on a presumed confusion of the public separate and apart from confusion of purchasers relating to the source of origin of the goods sold by Petitioner in finding infringement of the registered mark.

This decision is in direct conflict with that of the Court of Appeals for the Second Circuit in *Spiegel.* There a unanimous Court rejected the contention that, contrary to its plain language, the 1946 Trademark Act afforded protection unrelated to confusion as to the source of origin of goods sold by the defendant. The alleged infringer in *Spiegel* operated a gasoline filling station and there

posted a sign bearing the letters "AAA". "AAA" was the subject of some fifteen federal trademark registrations owned by the plaintiffs. (205 F (2d) 772) On motion, the District Court granted summary judgment for the plaintiffs (101 F. S. 185, and see *American Auto Ass'n* v. *Rothman*, 101 F. S. 193, 195). On appeal the judgment was reversed on the ground that the use of the mark by the defendant was outside the scope of Sectino 32 of the 1946 Act.

In an opinion by Judge Learned Hand, the court stated:

> "* * *The only section of the Trademark Act that defines the infringement of a trade-mark declares that it consists of a use of the mark 'in connection with the sale, offering for sale or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or deceive purchasers as to the source of origin of such goods or services'. The plaintiffs had, therefore, to prove that in selling his goods the defendant used one or more of their marks 'on' them, or 'in connection with' their sale, in such a way that his use was likely to lead purchasers to suppose that the 'source of origin' of the goods he sold was the plaintiffs. Since all the plaintiffs 'marks are for articles that the Club distributes gratis to its customers, the plaintiffs must point to some articles that the defendant sells which, because of his use of the mark, are likely to be taken by the buyer as the plaintiffs'. * * *." (205 F. (2d) at p. 773)

2. The decision of the court below is believed to be erroneous and the contrary decision of the Court of Appeals for the Second Circuit to be correct. As noted by the Second Circuit, Section 32 extends only to the use of a registered mark in connection with the **sale of goods** where such use is likely to cause confusion as to the source of origin of **such goods**. Unless persuasive reasons to the contrary are shown, the plain words of a statute are to be accorded their plain meaning. e.g. *Unexcelled Chemical*

Corp. v. *United States,* 345 U.S. 59, 64 (1953); *Rosenman* v. *United States,* 323 U.S. 658, 661 (1945). No such reasons were suggested by the court below. Indeed, as we point out hereafter, the legislative history shows that the Congress considered broad language consistent with the interpretation of the court below and subsequently rejected that language in favor of the specific and more narrow language now embodied in the statute.

3. The 1946 Trademark Act is the first statute setting forth substantive law principles applicable to trademarks registered in the Patent Office. It represents the culmination of legislative proceedings extending from 1938 to 1946. See e.g. Senate Report No. 1333, May 14, 1946, and Diggins, Federal and State Regulation of Trade-marks, 14 Law and Contemp. Problems 200 (1949).

The legislative history of the Act shows that while the Congress sought to define a national law of trademark infringement, it was also deeply conscious of the need to limit the rights conferred. One of the major legislative decisions in the history of the Act was directed to this matter. In the form passed by the Senate on September 17, 1941, S. 895 (77th Cong. 1st Sess.), the bill included, as Section 32, a provision defining infringement of a registered mark as including any use of the mark on any "merchandise or services of such a character that the use thereof is likely to cause confusion or mistake or to deceive purchasers". See Appendix A, hereof. However, upon consideration of the Senate bill the House committee recommended passage only if a number of amendments were made. One of the amendments changed the language of Section 32 to limit infringement to situations where the mark is used on goods or services in such fashion as to be likely to cause confusion of purchasers as to the source or origin of **such goods or services**. House Rep. 2283, June 25, 1942, to accompany S. 895, page 12. See Ap-

pendix A, this petition. The Act was ultimately passed with Section 32 in essentially the form approved by the House committee.

The spread of meaning between Section 32 of S. 895 as passed by the Senate and rejected by the House and Section 32 of the 1946 Trademark Act as finally passed is exactly the difference between the interpretation given to the Act by the court below and that applied by the Court of Appeals for the Second Circuit in the *Spiegel* case. Yet it was only when the act was limited to the restrictive language relied on in the *Spiegel* case that the Congress passed the Act.

4. The question presented is important and recurring, as it goes to the heart of the protection afforded by the Trademark Act. It is of vital concern to the owners of the 600,000 trademarks registered in the Patent Office. It is of equal importance to businessmen who must identify their wares without running afoul of these 600,000 registrations. Although the Congress carefully limited the freedom from competition accorded the owner of a registered trademark —and the Act was revised to assure such limitation—the court below nevertheless vastly expanded that protection to cover any use of a mark that might lead to confusion of the public in any respect. The importance of the question will be appreciated when it is recalled that the Act represents the judgment of Congress as to the nature of the activities in which business enterprise may engage without harassment from others on trademark infringement claims (R. 5), and the limits of control the registered trademarks confer over the manufacture and sale of other products.

The issue of this case assumes additional importance because, as one learned commentator has recently observed: "Although nine years have now passed since the effective

date of the Act of 1946, we still do not have a single Supreme Court decision interpreting the Act's infringement and remedy provisions. The urgent need for Supreme Court review has long been felt and frequently been given expression in the writings of the trademark experts. * * *'' Derenberg, The Ninth Year of Administration of the Lanham Trademark Act of 1946, Part II USPQ, Sept. 10, 1956, page 23.

Moreover, the conflict here assumes particular importance in view of the expressed objective of national uniformity sought by the 1946 Trademark Act. As the cases now stand, competitive activity such as that engaged in by Petitioner would be protected in the Second Circuit and forbidden in the Seventh Circuit. Yet a major objective of the Act was to enact ''national legislation along national lines'' and to bring to an end the situation under the earlier acts where there was the ''possible result that there may be as many different varieties of common law as there are states.'' Senate Report No. 1333, May 14, 1946, page 5. By granting the writ in this case this Court can not only resolve a conflict between two courts of appeals but in addition will be assuring attainment of the truly national law that the Congress sought by passing the 1946 Trademark Act.[2]

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[2] If, as we contend, the court below erred in its interpretation of the 1946 Trademark Act, then the judgment should be reversed and the complaint dismissed. The prayers for relief based on unfair competition fail on jurisdictional grounds. Damages were waived and the record is barren of any proof or findings that the amount in controversy exceeded $3,000. (R. 119) **McNutt v. General Motors Acceptance Corporation,** 298 U.S. 178. Nor can jurisdiction rest on the presence of a ''substantial and related claim under the * * * trademark laws'' under 28 U.S.C. 1338(b). As is above pointed out, neither the pleadings, the proofs, nor the findings relate to the statutory test of trademark infringement. In **American Automobile Ass'n. v. Spiegel,**

Conclusion

The judgment below is in conflict with a decision of the Court of Appeals for the Second Circuit on an important question of federal statutory law for which Congress has explicitly sought a uniform "national law." The petition for a writ of certiorari should be granted.

Respectfully submitted,

George E. Frost
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October 31, 1956

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205 F(2d) 771, 774 (2d Cir. 1953), cert. den. 346 U.S. 887 (1953), the court found jurisdiction lacking as to the unfair competition count for this reason.

If the court below should be held to have jurisdiction with respect to the prayers based on unfair competition, the decision below should be reversed because it is explicitely based on "Federal Law" (This petition, Appendix B, page 18). There is no non-statutory federal law of unfair competition. **Erie R.R. v. Tompkins**, 304 U.S. 64 78. Nor is the question academic since in this case, if we are correct as to the proper interpretation of the 1946 Trademark Act, then the so-called federal law of unfair competition would be relied on as expanding the scope of protection for a registered trademark beyond that authorized by the Trademark Act and to encompass what the legislative history shows that Congress specifically refused to do. It may be noted that there is a conflict of decisions as to the existence of a federal law of unfair competition. The decision below and that of the District Court in **Bulova Watch Co. v. Stolsberg**, 69 F. Supp. 543 (D. Mass. 1947) explicitly rest upon the existence of a federal law of unfair competition. Cf. **Stauffer v. Exley**, 184 F. (2d) 962, 965 (9th Cir. 1950). To the contrary, the Court of Appeals for the Second Circuit in **American Automobile Ass'n. v. Spiegel**, 205 F. (2d) 771, 774 (2d Cir. 1953), cert. den. 346 U.S. 887 (1953), held that there is no federal law of unfair competition upon which district court jurisdiction could be based. Cf. **Maternally Yours, Inc. v. Your Maternity Shop**, 234 F. (2d) 538 (2d Cir. 1956).

Appendix A

S 895, 77th Cong. 1st Session (Also H.R. 6618, 76th Cong. 3d. Sess.)

"Title VI—Remedies

Sec. 32. (1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services of such a character that such use is likely to cause confusion or mistake or to deceive purchasers; or (b) use any such reproduction, counterfeit, copy, or colorable imitation falsely to indicate the source of such goods or services; or (c) * * * * *."

S 895, 77th Cong. 1st Session (as Amended Pursuant to House Report No. 2283, 77th Cong. 2d sess.)

"Title VI—Remedies

Sec. 32. (1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source or origin of such goods or services; or (b) * * *"

Appendix B.

In the United States Court of Appeals For the Seventh Circuit

No. 11615 OCTOBER TERM, 1955, APRIL SESSION, 1956.

ESKIMO KOOLER CORPORATION,
Plaintiff and Counter-Defendant-Appellant,

vs.

ESKIMO PIE CORPORATION,
Defendant and Counter-Claimant-Appellee.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

June 27, 1956.

Before DUFFY, *Chief Judge*, FINNEGAN and SCHNACKENBERG, *Circuit Judges*.

FINNEGAN, *Circuit Judge*. Eskimo Kooler Corporation commenced this action against Eskimo Pie Corporation to recover damages and restrain the latter from interfering in the business of Eskimo Kooler. By its counterclaim, accompanying the answer to that complaint, Eskimo Pie Corporation asserted its house mark and trademark "Eskimo," and sought a permanent injunction against Eskimo Kooler Corporation. After taking parol and documentary evi-

dence, the district court found the use of the name "Eskimo" by Eskimo Kooler Corporation constituted "trade-mark infringement or, in any event, unfair competition and should be enjoined" further concluding, as a matter of law: "The counter-defendant's (Eskimo Kooler Corporation) use of the business name Eskimo Kooler Corporation in the business of manufacturing and/or selling said cabinets is also wrongful, particularly in view of the circumstances of the selection and adoption of such name, and should be enjoined."

From the judgment order granting a permanent injunction against it, Eskimo Kooler Corporation has appealed. It should be noticed that the initial complaint filed by Eskimo Kooler Corporation was dismissed below for nonprosecution and the case proceeded solely upon the counterclaim and answer thereto, hence Eskimo Pie Corporation was put in the position of plaintiff and Eskimo Kooler Corporation became a defendant.

Our application of Rule 52(a), Federal Rules of Civil Procedure, 28 U. S. C. (1952 ed.) leaves undisturbed the findings of fact and conclusions of law made by the district judge. *Esquire, Inc.* v. *Varga Enterprises,* 185 F. 2d 14, 20 (7th Cir. 1950). According to these findings of fact, Eskimo Pie Corporation engaged in the business of manufacturing and selling "Eskimo Pie" and other "Eskimo" frozen food products, including an "Eskimo Kooler." That Eskimo Pie Corporation owns numerous and various U. S. Trade Mark Registrations using the word "Eskimo," is uncontested. Long before Eskimo Kooler Corporation began its business, Eskimo Pie Corporation's products were sold from refrigerated cabinets bearing the name "Eskimo" or "Eskimo Pie" and these names had been widely used on trucks, billboards, and other advertising media owned or supplied by Eskimo Pie Corporation or its franchisees. Nicholas C. Geovan, one organizer of Eskimo Kooler Corporation had been president of the Drexel Ice Cream Company of Chicago, Illinois, and during the period 1928 to 1945 that Company held a franchise from Eskimo Pie Corporation. Consequently the trial judge found that

Geovan knew all about Eskimo Pie Corporation's method of doing business and was well aware of its Eskimo name and trademarks. We notice that the district court particularly found that Eskimo Kooler Corporation ". . . offered no explanation of its deliberate adoption of this name, which incorporated not only the word Eskimo which was . . . [Eskimo Pie Corporation's] primary trade-mark and the dominant part of its business name, but also the word Kooler spelled with a K, the same as in . . . [Eskimo Pie Corporation's] specific mark Eskimo Kooler." The facts found culminated in holding that the practices and acts of Eskimo Kooler Corporation involved likelihood of confusion and misleading of the public. We would add this statement [from the record] made by counsel for Eskimo Kooler Corporation during the trial below: ". . . for the sake of the record, and to shorten this matter, I, our side, will admit that 'Eskimo Pie' has enormous advertising and they are known throughout the United States. In fact, it is common knowledge. . . ."

Despite Eskimo Kooler Corporation's contrary assertion, this case involving Federal trade-mark registrations and unfair competition, is controlled by Federal Law. *Bulova Watch Co.* v. *Stolzberg,* 69 Fed. Sup. 543 (D. C. Mass. 1947).

Under Judge Lindley's opinion, reported as *California Fruit Growers Exchange* v. *Windsor Beverages, Ltd.,* 118 F. 2d 149 (7th Cir. 1941) Eskimo Pie Corporation has the right to protect its business name and trade-mark "Eskimo" and for this reason Eskimo Kooler Corporation's argument about the non-exclusiveness of the word "Eskimo" receives a cool reception.

After canvassing this record, we are fully satisfied that the findings concerning confusion are amply supported. *Independent Nail & Packing Co., Inc.* v. *Stronghold Screw Products, Inc.,* 205 F. 2d 921 (7th Cir. 1953). Eskimo Kooler Corporation having started an action, was caught in the inevitable and unenviable dilemma of a counterclaim for the very claims they had first levied against Eskimo

Pie Corporation. Unable to retreat, Eskimo Kooler Corporation unsuccessfully sought to resist the action against them. Upon exposure to the facts found below, we find Eskimo Kooler Corporation's multiple points melt away even in the climate of judicial opinions it relies upon.

The district court's judgment is affirmed.

Judgment affirmed.

A true Copy:

Teste:

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Clerk of the United States Court of Appeals for the Seventh Circuit.

DEC 1 1956
JOHN T. FEY, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1956.

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ESKIMO PIE CORPORATION,

Respondent.

RESPONDENT'S BRIEF OPPOSING CERTIORARI

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INDEX

PAGE

Counterstatement of Facts 1

Argument:

I. The Judgment Below Is Supported by the Finding, Not Challenged by the Petitioner, That Petitioner Is Guilty of Unfair Competition 5

II. Since the Judgment Adjudicates Respondent's Common Law Rights in the Trademark ESKIMO Petitioner's Question 1 (Petition, p. 2), and, "Reasons for Granting The Writ" as to Said Question (Petition, p. 8) are Baseless in Both Statements of Fact and Law ... 7

III. Petitioner's "Question" 2 as to Unfair Competition Jurisdictional Amount (Petition, p. 2) is Baseless in Both Statement of Fact and Law 11

IV. Petitioner's "Question" 3 "Whether There is a Non-Statutory Federal Law of Unfair Competition" Presents No Question Arising in This Case 13

Conclusion 14

Photostat 17

Cases Cited

PAGE

American Automobile Ass'n v. Spiegel, 205 F. (2) 771 ..... 9, 10, 15

Bulova Watch Co., Inc. v. Stolzberg, 69 Fed. Sup. 543 (D. C., Mass., 1947) 13

City of Memphis, Tenn. v. Ingram, 195 F. (2) 339, 8th Circuit, 1952 11

Food Fair Stores, Inc. v. Food Fair, Inc., 177 Fed. (2) 177, 179 6

Glenwood Light & Water Co. v. Mutual Light, Heat & Power Co., 239 U. S. 121, 126 ..... 11, 12

Hanson v. Triangle Publications, 163 Fed. (2) 74, 79, Seventh Circuit, 1947 11

Lady Esther, Ltd. v. Lady Esther Corset Shoppe, Inc., 317 Ill. App. 451 14

Nord v. Griffin, 86 F. (2) 481, 7th Circuit, 1936 11

Pick Mfg. Co. v. General Motors Co., 299 U. S. 3 15

Purcell v. Summers, 126 F. (2) 390, 4th Circuit, 1942 11

Statute Cited

1946 Trademark Act:

Section 32 ..... 7, 8, 9

Section 34 7

Section 13 9

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Respondent.

RESPONDENT'S BRIEF OPPOSING CERTIORARI

Counterstatement of Facts

1. The trial below was on Respondent's Counterclaim "of the rights of Counter-claimant to protection against unfair competition and trademark infringement" (R., pp. 10-11, Counterclaim 8). The prayers for relief were:

> "(a) A permanent injunction be issued by this Court enjoining said Counterclaim Respondent, its distributors, agents and servants and each of them, from offering for sale and from selling, ice cream, frozen food and dairy merchandisers under Counter-claimant's trademark ESKIMO, and that
>
> (b) Counterclaimant be awarded damages and its costs herein and such other relief as to the Court may appear just and equitable."

This specified a common law case, decided by the Court as follows:

> "1. The Court has jurisdiction of the action and of the parties.
>
> 2. The counter-defendant's use of the name and trade-mark ESKIMO on its low temperature or ice cream cabinets constitutes trade-mark infringement or, in any event, unfair competition and should be enjoined.
>
> 3. The counter-defendant's use of said name and trade-mark on its high temperature or dairy cabinets constitutes trade-mark infringement or, in any event, unfair competition and should be enjoined.
>
> 4. The counter-defendant's use of the business name ESKIMO KOOLER CORPORATION in the business of manufacturing and/or selling said cabinets is also wrongful, particularly in view of the circumstances of the selection and adoption of such name, and should be enjoined." (R., p. 123)

While the court stated additional jurisdiction on the trademark registration in evidence (R., p. 119, Finding of Fact 2), this additional ground was supplementary and not required to support the judgment based on common law trademark infringement and common law unfair competition.

2. The District Court and Court of Appeals concurred in Findings of "trademark infringement or, in any event, unfair competition", and jurisdiction of the action and of the parties (Findings, R., p. 123; Court of Appeals affirmance; Petition, p. 16). After respondent's proofs were in as to the immense value of the mark ESKIMO petitioner never challenged the existence of the jurisdic-

tional amount. It did not assign as error the finding of the requisite jurisdictional amount (R., pp. 130, 131, statements of Points on Appeal).

3. Respondent, Eskimo Pie Corporation, at the time of the trial had been in the interstate business of manufacturing and selling directly, and through franchised manufacturers and dealers, frozen food products, particularly ice-cream products, branded ESKIMO, since at least the year 1922 (R., p. 119, Finding 3).

4. With regard to statutory amount in the unfair competition charge, it was admitted by petitioner at the trial that respondent "has enormous advertising and they are known throughout the United States. In fact, that is common knowledge" (R., p. 38). In the period 1940-1950, respondent sold to its franchised manufacturers alone over one billion, two hundred and fifty million retail bags bearing respondent's trademark ESKIMO, for containing respondent's ESKIMO branded frozen food products (R., p. 44). The price paid to respondent for 94,000,000 bags alone so delivered was about $300,000 (R., p. 50).

5. Frozen food products cannot be marketed and dispensed to the consumer without preservation in refrigerated boxes or cabinets. Respondent's cabinets marked ESKIMO, in accord with the contents, had long been distributed by respondent to retail outlets for use in containing, preserving, and dispensing to the consumer, respondent's ESKIMO frozen foods, (R., p. 101). Therefore the record supported the finding made by both Courts that the use of ESKIMO by petitioner (counter-defendant below) on such cabinets "tends to create in the minds of the public the natural belief that the counter-defendant is in some way connected with or sponsored by the counter-claimant", *i. e.*, confusion as to the source of petitioner's

ice cream and other refrigerated cabinets due to petitioner's use thereon of respondent's registered mark ESKIMO for ice cream products, etc., which the public had for many years closely associated with the containers from which they were dispensed (R., p. 122; Finding 13, *i. e.*, the first section preceding the words "and that the food products". These latter words began a finding of confusion, *re.* unfair competition). This was the gravamen of respondent's (counter-claimant's) case as to trademark infringement. The contentions of petitioner thereon are discussed in the Argument, page 5 hereof.

6. Beginning in the 1920's, respondent had produced for it, for the sale of its frozen products, dispensing cabinets refrigerated by dry ice. Since about 1933, respondent has maintained the practice of owning automatic electrically driven dispensing cabinets for sale of its frozen products. At the time of the trial, such cabinets were in use in the states of Michigan and Virginia (R., p. 101). These dispensing cabinets bore the brand ESKIMO for sale therefrom of respondent's ESKIMO frozen products (R., pp. 113-114).

7. When Eskimo Kooler Corporation was organized, about September, 1945, Nicholas C. Giovan, who became President, was President of an ice cream manufacturer in Chicago, engaged in distributing ESKIMO frozen confections under franchise from respondent (R., p. 94). On the element of unfair competition, petitioner deliberately adopted for its name one of respondent's specific brands, ESKIMO KOOLER. Prior to and at the time of the formation of petitioner's business, and thereafter respondent was widely selling its frozen confection ESKIMO KOOLER. In the state of Illinois, in excess of one million pieces marked ESKIMO KOOLER were sold in 1943-45, inclusive (R., p. 39). For the period 1940-52, the said branded product was distributed by petitioner to the extent of ninety-four million pieces (R., p. 39).

8. In the year 1952, petitioner began to advertise "ESKIMO ICE CREAM MERCHANDISER" and "ESKIMO TWINS" for "Ice Cream and Dairy Products" (see replica, page 17 hereof), both being refrigerated cabinets for dispensing ice cream products directly to the consumer, the store clerk taking the price. This advertising came to respondent's attention, and notice of infringement was sent July 17, 1952, followed by the case below.

9. Petitioner asserts that its business now consists largely of the manufacture and sale of higher temperature cabinets, for milk and the like, but there is a threat that it will sell the low temperature cabinets as it has in the past. It is common practice in the trade for ice cream manufacturers to also sell milk and unfrozen milk products and in many retail outlets refrigerated cabinets for such things as milk and other dairy products are arranged in close proximity to low temperature cabinets for ice cream and other frozen food products (R., pp. 106-7). Both Courts so found (R., p. 122; Finding 13).

ARGUMENT

I. The Judgment Below Is Supported by the Finding, Not Challenged by the Petitioner, That Petitioner Is Guilty of Unfair Competition.

The judgment of the court below is supported by the finding that petitioner has been guilty of unfair competition. The petitioner does not challenge that finding in this court. (See Petition, page 2, footnote 1.)

However, in footnote 2 (p. 13), petitioner asserts that the court below lacked jurisdiction of the common law unfair competition case, on the ground that there is no proof that the amount in controversy exceeds $3,000.00.

The Counterclaim pleaded that the amount in controversy exceeded $3,000.00. The right sought to be protected by the injunction is the valuable property in the trademark and name ESKIMO.

In the Court of Appeals, the petitioner did not assign as error, the finding of the District Court that it had jurisdiction of the unfair competition as a diversity case wherein the amount is in excess of $3,000.00. (Statement of Points in Appeal (R., p. 130); and Amendment thereof (R., p. 131).) Thus the petitioner in the Court of Appeals by its acceptance of the District Court's finding that the jurisdictional amount was in fact present, admitted that the amount in controversy exceeded $3,000.00.

Moreover, the proof in this case shows that respondent for many years has done a vast nationwide business in its frozen foods under the name ESKIMO.

In cases involving infringement of trademarks and unfair competition, the courts have repeatedly held that the injury is not susceptible of exact valuation in money. But such absence of exact valuation does not negative federal jurisdiction. In *Food Fair Stores, Inc.* v. *Food Fair, Inc.*, 177 Fed. (2) 177, 179, the Court of Appeals for the First Circuit said:

> "Naturally, such an injury as this is not susceptible of exact valuation in money. But this does not negative federal jurisdiction. Nor is it fatal that the complaint does not contain categorical affirmative allegations tending to support, either directly or by inference, the general allegation of injury in excess of the amount necessary for federal jurisdiction, for to justify dismissal when there is an adequate formal allegation of an amount in controversy sufficient to confer federal jurisdiction, it must appear to a legal certainty from the rest of the complaint that the claim is really for less than the jurisdictional amount. *St. Paul Indemnity Co.* v. *Red Cab Co.*, 303 U. S. 289."

II. Since the Judgment Adjudicates Respondent's Common Law Rights in the Trademark ESKIMO Petitioner's Question 1 (Petition, p. 2) and , "Reasons for Granting The Writ" as to Said Question (Petition, p. 8) are Baseless in Both Statements of Fact and Law.

We have shown that the Judgment is based on a Finding of common law unfair competition. That finding also supports common law trademark infringement.

We will, however, discuss the point raised by petitioner, and show that it is devoid of merit.

Petitioner (pp. 8, 9), after stating that Sections 32 and 34 of the 1946 Trademark Act require for injunction against an alleged infringer that his use of the mark sued upon, upon his own goods, must be a use "likely to cause confusion or mistake or to deceive purchasers as to the source or origin of such goods", makes the wholly erroneous contention that respondent alleged only that the use of the word "Eskimo" on petitioner's display cabinets "will lead the public to believe that the products are made or sponsored by respondent", and that the Findings were similarly limited "apart from the source or origin" of the petitioner's goods.

Petitioner's contention is grossly erroneous, because respondent's counter-claim 8 (R., pp. 10, 11) is in two sections, (a) unfair competition; (b) trademark infringement. Counter-claim 11 (R., p. 12) repeats respondent's earlier allegations of unfair competition and trademark infringement and again separates them by two sentences: the first that the trademark infringement (by offer and sale of the cabinets of petitioner, therein identified) "will create confusion in trade with damage to the counter-claimant and cause irreparable injury" and the second, independent, sentence related to the unfair competition,

i. e., "Frozen food products including ice cream offered to the public in cabinets marked Eskimo will lead the public to believe that the products therein are made or sponsored by respondent.

Petitioner's contention that the Findings were "apart from the source or origin" of petitioner's cabinets is erroneous. Finding 13 (R., p. 122) as in the counter-claim, is in two distinct sections:

> (a) That the use by petitioner of ESKIMO or ESKIMO KOOLER on cabinets for the retail distribution of food products particularly frozen food products but to some extent refrigerated "definitely presents likelihood of confusion and tends to create in the minds of the public the natural belief that the counter-defendant (petitioner here) is in some way connected with or sponsored by the counter-claimant".

The above section of Finding 13 is an independent one and finds likelihood of confusion with respondent "as to the source or origin of petitioner's goods, *i. e.*, ESKIMO-marked refrigerated dispensing cabinets, and thus definitely within the 1946 Trademark Act, Section 32.

> (b) and that the food products dispensed in petitioner's refrigerated cabinets "are in whole or in part those of the nationally known 'Eskimo Company', the counter-claimant herein".

This last section of Finding 13 may be considered of itself as confined to an allegation of unfair competition. But, whether or not that is so, it in no way changes the preceding quoted clear finding in Finding 13 of likelihood of confusion as to source of petitioner's refrigerated dispensing cabinets, *i. e.*, that ESKIMO on those cabinets "tends to create in the minds of the public the natural belief that counter-defendant is in some way connected with or sponsored by counter-claimant" (Finding 13, R., p. 122).

The lower courts could not logically find otherwise. The situation is no different from any attempt to use, for example, IVORY as a brand on dispensing cabinets adapted and sold for retail dispensing of bars of soap. That would create the natural belief in the minds of the public that the soap dispenser was put out by the owner of the nationally known IVORY soap brand. There plainly would be likelihood of confusion or mistake "as to the source or origin of such goods", within said Section 13 of the 1946 Trademark Act, because the act prescribes that "the sale, offering for sale, or advertising of *any goods*", using the registered mark, is an infringement thereof, when such use is likely to cause confusion as to the origin of such goods.

In the present case ESKIMO on refrigeration cabinets adapted, promoted and sold for dispensing frozen food, particularly petitioner's ESKIMO ICE CREAM MERCHANDIZER and ESKIMO TWINS for "Ice Cream and Dairy Products" (replicas from petitioner's advertising, last page, this brief) would be "likely to cause confusion or mistake . . . as to the source of said (petitioner's) goods" because respondent's products cannot be dispensed except in refrigerated cabinets, the cabinets have the function of a protective wrapper for the products. The mark ESKIMO thereon naturally creates the impression on the mind that respondent has put out the cabinets for the protection and dispensing of its nationally known ESKIMO frozen products, as in fact had been its practice.

The concurring decisions of the District Court and Court of Appeals as to registered trademark infringement are exactly in accord with the decision of the Court of Appeals, Second Circuit, in *American Automobile Ass'n* v. *Spiegel,* 205 F. (2) 771, upon which petitioner relies as its "reason for granting the writ". There is no conflict, because the cited case was remanded for further proceedings under the ruling that under Section 32 of the

1946 Trademark Act, and the Court of Appeals, said:

> "The plaintiff must point to some articles that the defendant sells which, because of his use of the mark, are likely to be taken by the buyer as the plaintiffs . . ." (205 F. (2d), at p. 773)

and in this case both courts found:

> "The use by counter-defendant of the trademark ESKIMO or ESKIMO KOOLER on cabinets for the retail distribution of food products, particularly frozen food products but to some extent refrigerated but unfrozen products also (especially in view of the locations in which such cabinets are used) definitely presents likelihood of confusion, and tends to create in the minds of the public the natural belief that the counter-defendant is in some way connected with or sponsored by the counter-claimant . . ." (Finding 13)

The deficiency of the plaintiff's case in the *Spiegel* citation was not present in the case here. In the *Spiegel* case the defendant gave away maps, not marked with plaintiff's trademark AAA but with the brand of gasoline the said defendant was selling, *i. e.*, "Socony Vacuum". Here the petitioner sells interstate refrigeration cabinets marked ESKIMO and adapted and promoted by petitioner for preserving and dispensing the very frozen foods on which respondent's ESKIMO mark appears.

Petitioner unduly dwells upon its contention that there was a difference between the interpretation of the Act, given by the courts below and that applied in the *Spiegel* case, and that the question presented is important and recurring. The fact is that there is no difference, no conflict, and no such "question" is in the case.

In *Hanson* v. *Triangle Publications,* 163 Fed. (2) 74, 79, Seventh Circuit, 1947, the Court said:

> "Under *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.,* 305 U. S. 315, 324-5, and *Hurn* v. *Ousler,* 289 U. S. 238, as well as other cases, an allegation of infringement of a registered trademark, unless plainly unsubstantial, carries with it jurisdiction to determine an issue of unfair competition which is a part of the general situation and not inherently a separate cause of action, even where the claim of infringement falls at the trial. See also, *L. E. Waterman Co.* v. *Gordon,* 2d Cir., 72 Fed. (2) 272."

Petitioner's said allegation of infringement of a registered trademark was substantial for the reasons we have specified.

III. Petitioner's "Question" 2 as to Unfair Competition Jurisdictional Amount (Petition, p. 2) is Baseless in Both Statement of Fact and Law.

Whatever "Question" is recited has been settled by this Court (*Glenwood Light & Water Co.* v. *Mutual Light, Heat & Power Co.,* 239 U. S. 121, 126)—uniformly followed by the Appellate and District courts (see footnote 1), because:

(a) Diversity of citizenship was pleaded and present; and

(b) The Counter-claim pleaded (R., p. 9):

> "The matter in controversy in this Counter-claim, exclusive of interest and costs, is in excess of $3,000.00",

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FOOTNOTE 1: *City of Memphis, Tenn.* v. *Ingram,* 195 F. (2) 339, 8th Circuit, 1952.
Purcell v. *Summers,* 126 F. (2) 390, 4th Circuit, 1942.
Nord v. *Griffin,* 86 F. (2) 481, 7th Circuit, 1936, and other cases.

(c) No question was made by petitioner at the trial or before the Court of Appeals that it did not have such value;

(d) Likelihood of confusion in trade was pleaded (R., p. 11, Counter-claim 11) and both courts concurred in finding it supported by the record (Petition, p. 18);

(e) The measure of jurisdictional amount in a suit for trespass and injunction is the value to the plaintiff of the right which he seeks to protect (*Glenwood Light & Water Co.* v. *Mutual Light, Heat & Power Co., supra*). The relief sought by respondent was to maintain and operate its business under its business name, and trademark rights to ESKIMO, free from wrongful interference by petitioner now and in the future. An admission by petitioner at the trial was in itself proof of adequate jurisdictional amount. It was made after thirty years of intensive development and growth by which respondent had made its business name and trademark ESKIMO such a valuable right that petitioner admitted that respondent was nationally known, and that was common knowledge (R., p. 38).

Apart from this, and apart from respondent's own manufacture of ESKIMO frozen food products, respondent's franchised manufacturers alone required in the period 1940-1950 over one billion, two hundred and fifty thousand retail bags for retail distribution to the public of frozen foods bearing respondent's trademark ESKIMO (R., p. 44).

In the Record, pages 40-41 list the many States in which ESKIMO franchised manufacturers have been located. Adequate explanation thus is found in the fact that in

neither the District Court or the Court of Appeals did petitioner challenge jurisdictional amount.

The concurrent findings of jurisdiction of the District Court and the Court of Appeals had full support.

IV. Petitioner's "Question" 3 "Whether There is a Non-Statutory Federal Law of Unfair Competition" Presents No Question Arising in This Case.

The petitioner contends (Footnote 2, p. 14) that the decision below "is explicitly based on Federal Law" and that there is no statutory Federal Law of unfair competition. Petitioner's contention is erroneous. What the Court said in *obiter dicta* was, "*this case involving Federal Trademark Registrations* and unfair competition (*i. e.*, in connection with the trademark registration) is controlled by Federal Law" (parentheses ours). The Court made reference to *Bulova Watch Co., Inc.* v. *Stolzberg*, 69 Fed. Sup. 543 (D. C., Mass., 1947). In the latter case, what the Court said was this:

> "It appears that federal law governs on the question of infringement of a registered trademark. Dwinell-Wright Co. v. National Fruit Product Co., 140 F. 2d 618, 620 (60 USPQ 304, 306-307). This Court has jurisdiction because of the inter-relationship of the issues of unfair competition with those raised under the Trade Mark Act. Federal law should govern both aspects of the complaint, while the local law of unfair competition is restricted to those cases where federal jurisdiction is sustainable only on diversity."

All that both courts meant was that where the Court obtained jurisdiction of an alleged unfair competition of a registered trademark, by reason of a Federal registration, those Federal precedents (cases) on the general issue of unfair competition of a registered mark, should govern, provided they were not in conflict with the State Law.

Petitioner makes no contention and could not validly contend that the Court's decision in this case was in conflict with the State Law. (See Footnote 2)

Conclusion

1. The picture of an alleged petitioner's refrigeration cabinet facing page 5 of the Petition is misleading, as shown by the replicas of the advertising by petitioner of

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FOOTNOTE 2:

Lady Esther, Ltd. v. *Lady Esther Corset Shoppe, Inc.*, 317 Ill. App. 451. The Court said:

> "The holding in those cases, that where there was direct competition between plaintiff and defendant there must be a 'palming off' to warrant relief, is far from saying that courts will not grant injunctive relief where the defendant's conduct is likely to cause confusion of the traders so that the public believes or is likely to believe that the goods of the defendant are the goods of the plaintiff, or that the plaintiff is in some way connected with or is a sponsor of the defendant. In such situation relief will be granted although there is no competition. 38 Harvard Law Review, 370-374, *Eckhart* v. *Consolidated Milling Co.*, 72 Ill. App. 70, *Aunt Jemima Mills Co.* v. *Rigney & Co.*, 247 F. 407, *Ward Baking Co.* v. *Potter-Wrightington*, 298 F. 398, *Vogue Co.* v. *Thompson-Hudson Co.*, 300 F. 509, *Investors' Syndicate* v. *Hughes*, 378 Ill. 413, *Philadelphia Storage Battery Co.* v. *Mindlin*, 163 Misc. (N. Y.) 52, *Edison Storage Battery Co.* v. *Edison Auto Co.*, 67 N. J. Eq. 44."

The court quoted with approval from Harvard Law Review this language:

> "Courts of equity in these unfair competition cases are seeking to protect the good-will and reputation of the plaintiff. Insistence by the courts upon the presence of competition between the parties can only be justified upon a theory that good-will and reputation can only be damaged by competitors. But such a theory is untenable, in the light of human experience. If the defendant's conduct is likely to cause confusion of the traders, so that the public believes or is likely to believe that the goods of the defendant are the goods of the plaintiff or that the plaintiff is in some way connected with or is a sponsor for the defendant, then a sufficient case is made out for injunctive relief. The result of a contrary rule would make the good-will and reputation of the plaintiff depend not only upon the conduct of the plaintiff but also upon the acts of the defendant and the excellence, or, what is more likely, the inferiority, of his products."

ESKIMO ICE CREAM MERCHANDISER and ESKIMO TWINS-ICE-CREAM AND DAIRY PRODUCTS, shown for the convenience of the Court on page 17 of this brief, and the basis for Finding 10.

2. The pleadings and findings were of common law trademark infringement and unfair competition. The inclusion of supplementary reference to trademark registration as an additional ground for jurisdiction and relief does not affect the judgment on common law ground.

3. The reason for granting the writ asserted by petitioner, *i. e.*, the contention that respondent's counter-claim and the Findings were "limited to a finding of confusion separate and apart from the source or origin of the goods sold by petitioner," and therefore that the decision below is in conflict with that of the Court of Appeals for the 2nd Circuit in the *Spiegel* case, is grossly erroneous, as we have shown above in detail. There is no such conflict.

4. Findings concurred in by the District Court and Court of Appeals are accepted by this Court unless clear error is shown. *Pick Mfg. Co.* v. *General Motors Co.*, 299 U. S. 3.

5. The decision below was right, clear error has not been shown, the judgment is supported by the findings; and the petition for a writ of certiorari is without basis.

Respectfully submitted,

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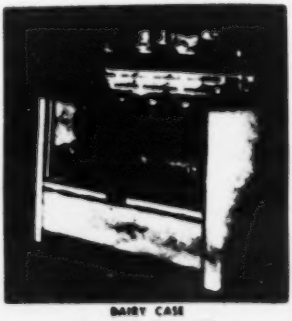

DAIRY CASE
56" LONG 30" WIDE

FILED
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JOHN T. FEY, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1956.

No. 549

ESKIMO KOOLER CORPORATION,

Petitioner,

VS.

ESKIMO PIE CORPORATION,

Respondent.

Reply Brief in Support of Petition for Certiorari

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ESKIMO KOOLER CORPORATION,

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Reply Brief in Support of Petition for Certiorari

Respondent mistakenly relies on diversity jurisdiction in an effort to support the decision below in some manner not based on Section 32 of the 1946 Trademark Act. This Court has consistently held fast to the statutory prerequisite of a matter in controversy of value more than $3,000

in diversity cases. The presence of the jurisdictional amount must be proven unless admitted. Burden of proof is on the party alleging the presence of the amount. A mere showing that the action concerns a business of large proportions is not enough, for such showing does not compel a conclusion that the amount in controversy exceeds the statutory amount. See, *e.g. McNutt* v. *General Motors Acceptance Corp.*, 298 U.S. 178; *KVOS* v. *Associated Press*, 299 U.S. 269.

KVOS v. *Associated Press*, 299 U.S. 269, is especially in point. There the District Court found that the matter in controversy exceeded $3,000 in view of the extent of the activities of Associated Press and the sum of more than $8,000 per year that newspapers would be required to pay for the services of Associated Press rendered valueless by the alleged unfair competition of KVOS. 9 Fed. Supp. 279. The Court of Appeals affirmed as to this portion of the holding. 80 F(2d) 575. Nevertheless this Court reversed on the ground that the statutory amount was not conclusively shown to exist in view of the allegations of Associated Press that it made no profit from the distribution of news to members. 299 U.S. at page 278.

A similar situation exists here. The counterclaim (para. 2, R. 9) and answer (R. 13) placed in issue the presence of the jurisdictional amount. During the course of its proofs Respondent failed to show confusion of purchasers or any other damage to it arising from Petitioner's sale of refrigerated display cases. Petitioner accordingly moved to dismiss because of the failure to prove damages (R. 61). Respondent then waived any award of damages and stated that it would be content with relief not requiring proof of damages (R. 62). This position—while perfectly consistent with a reliance upon the federal trade-

mark registrations and a possible pendant unfair competition claim under 28 U.S.C. 1338—cannot be reconciled with the present effort to find diversity jurisdiction.[1]

The only monetary evidence to which Respondent now points to support its argument as to the jurisdictional amount is the sum of $300,000 said to have been paid to Respondent for some bags (R. 50). But the trademark registrations here involved are for frozen confections, not bags—the only business of Respondent referred to in the complaint is one of selling frozen confections, not bags—and the Petitioner's acts here accused are confined to the sale of refrigerated display cases, not bags. Indeed, it is the effort here to found a business on the sale of frozen confections, establish trademark rights on the basis of such sale, and then seek to profit from the sale of bags, to stop others from the sale of refrigerated display cases, and otherwise reach outside the trademark rights that is the heart of Respondent's present difficulty with both diversity jurisdiction and the federal trademark act.

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[1] The present case involves no question before this Court turning on what rule of "common law" would apply were the point in issue. It should be noted, however, that Respondent misstates Petitioner's position with respect to state law (Brief, p. 14, and footnote 2). Petitioner argued below that relief would be denied under Illinois state law because the acts accused are a noncompetitive use on display cases and not on frozen confections. In 1955 Illinois passed a statute expanding the state trademark law to apply to non-competitive trademark uses and carefully qualified the new rule so as not to "deprive any party of any vested lawful rights acquired prior to the effective date of this Act." Smith-Hurd, Illinois Statutes, 1955 pocket supplement, Chap. 140, page 72. Petitioner falls within the exception set forth in the statute.

As pointed out at note 2, page 13, of the petition, any cause of action under 28 U.S.C. 1338 relied upon by Respondent must rest on the existence of a claim under the trademark act, which is not here present.

Detailed fact findings were entered below (R. 119). These identify by number, name, date, and goods, a total of nine "U.S. Trade-Mark Registrations" found to be owned by Respondent (R. 120). There are no findings that the amount in controversy exceeds $3,000, or even that Respondent is damaged in any amount.

Respondent is on the horns of a dilemma. If it seeks to support the judgment below on grounds of diversity of citizenship and thus escape the confines of the 1946 Trademark Act, it faces the consequence of its inability and failure to prove the presence of a matter in controversy of the requisite jurisdictional amount. If it turns to the 1946 Trademark Act, Respondent faces the limitations of Section 32 of that act and the failure of the record to include either allegations, proofs, or fact findings conforming to the requirements of the Act.

Certiorari should be granted because the judgment below conflicts with the decision in *American Automobile Ass'n.* v. *Spiegel,* 205 F(2d) 771, (2d Cir. 1953) and is irreconcilable with the language and statutory history of Section 32 of the 1946 Trademark Act. The matter is important as it affects 600,000 trademarks registered in the Patent Office, with respect to which Congress expressly sought "national legislation along national lines" (Senate Rep. No. 1333, May 14, 1946, page 5).

The petition for Writ of Certiorari should be granted.

Respectfully submitted,

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Chicago, Illinois
December 4, 1956